

Message Text

UNCLASSIFIED

PAGE 01 LISBON 00753 311225Z

ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 AGRE-00 IGA-02 AID-05 OMB-01

TRSE-00 L-03 CIAE-00 INR-07 NSAE-00 /039 W

-----100016 312236Z /72

R 310748Z JAN 78

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 4563

UNCLAS LISBON 0753

FOR AGRICULTURE PASS OGSM, FAS

E.O. 11652: N/A

TAGS: EAID, PO

SUBJECT: PL 480 LEGISLATION -- BELLMON AMENDMENT

REF: (A) STATE 242081 (1978) (B) STATE 14082 (C) LISBON 381

(D) LISBON 172

1. EMBASSY IS NOW IN RECEIPT OF INFORMATION FROM THE GOP WHICH ENABLES CT TO MAKE RECOMMENDATIONS RELATIVE TO THE BELLMON AMENDMENT REQUIREMENTS FOR TITLE I SALES TO PORTUGAL.

A. HANDLING STORAGE FACILITIES

1. IN VIEW OF THE DISCHARGE CAPACITY FOR CEREALS, ESTIMATED AT APPROXIMATELY 14,500 TONS PER DAY, THE CT BELIEVES THAT SUCH CAPACITY WITH PLANNED UTILIZATION IS ADEQUATE TO PREVENT UNDUE RISK TO COMMODITIES AND TO AVOID SIGNIFICANT DEMURRAGE.

2. ALTHOUGH STORAGE FACILITIES AT PORT ARE NOT LARGE, A REASONABLE GOP TRANSPORTATION SYSTEM REGULARLY MOVES CEREALS TO A NUMBER OF INTERNAL GOVERNMENT OWNED OR RENTED STORAGE POINTS WHICH, WHEN ADDED TO PORT FACILITIES, HAVE A COMBINED CAPACITY OF ABOUT 810 THOUSAND TONS. THIS, COMBINED WITH PRIVATELY OWNED STORAGE FACILITIES IN THE MILLING

UNCLASSIFIED

PAGE 02 LISBON 00753 311225Z

AND MIXED FEED INDUSTRY, RESULTS IN A 1.2 MILLION TON CAPACITY, OR APPROXIMATELY 37 PERCENT OF THE REQUIRED CEREAL AND OILSEED IMPORTS AND 29 PERCENT OF TOTAL SUPPLY REQUIREMENTS FOR FY 78.

B. DISINCENTIVES TO DOMESTIC PRODUCTION

THE CT HAS EXAMINED PRODUCTION, IMPORT AND CONSUMPTION DATA FOR A SEVEN YEAR PERIOD AND HAS CONCLUDED THAT PL 480 IMPORTS DO NOT CONSTITUTE A DIS-INCENTIVE TO DOMESTIC PRODUCTION. RATHER, THE CT BELIEVES THAT IMPORTS UNDER PL 480, TITLE I, SHOULD BE VIEWED AS A TRANSITIONAL MEASURE ENABLING PORTUGAL TO

- 1) MAINTAIN TRADITIONAL LEVELS OF IMPORTS, SOME OF WHICH HAD PREVIOUSLY BEEN SUPPLIED BY FORMER COLONIES AND,
- 2) INCREASE IMPORTS DURING ITS ECONOMIC DIFFICULTIES, WHICH HAVE BEEN AGGRAVATED BY WEATHER RELATED PRODUCTION SHORTFALLS IN SOME CEREALS.

3. GOP HAS BEEN ADVISED OF REESTRICTIONS CONCERNING EXPORT OF WHEAT PRODUCTS UNDER P.O. 480 AGREEMENTS AND MISSION DOES NOT ANTICIPATE RECEIVING AN OFFICIAL REQUEST IN THIS REGARD.

4. PER REF C, MISSION REQUESTS AID/W TRANSMIT FY 1978 NEGOTIATING INSTRUCTIONS SOONEST.
OKUN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PL 480, AMENDMENTS, FOREIGN ASSISTANCE
Control Number: n/a
Copy: SINGLE
Draft Date: 31 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978LISBON00753
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780046-0909
Format: TEL
From: LISBON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978014/aaaaaczh.tel
Line Count: 82
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: df19c7e1-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 STATE 242081, 78 STATE 14082, 78 LISBON 381, 78 LISBON 172
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18 feb 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3739757
Secure: OPEN
Status: NATIVE
Subject: PL 480 LEGISLATION -- BELLMON AMENDMENT
TAGS: EAID, PO
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/df19c7e1-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014